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## **Mexico**

### **Product Brief**

# **The Mexican Market for Peanuts and Peanut Products 2000**

Approved by:

**Chad R. Russell**

**U.S. Embassy**

Prepared by:

Condesa Consulting Group

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Mexico ATO [MX2], MX

This report is for informational purposes only to assist exporters of US produced food and agricultural products in their sales and promotional efforts in Mexico. The data in this report were collected from local trade and government sources and are not necessarily official U.S. Department of Agriculture (USDA) data. While every effort has been made to provide an accurate list of contacts, telephone and fax numbers change frequently in Mexico. Also, there may be other qualified firms in Mexico and the United States, and their exclusion from any lists or directories is unintentional. Neither the US Agricultural Trade Office nor the USDA endorses any firm contained herein. US exporters should take normal commercial cautions when dealing with any potential importer, including checking credit references.

## Market Overview

Mexico is a growing market and represents excellent long-term prospects for US peanut suppliers. The following section provides a summary of Mexico's market characteristics.

## Demographics

Currently at 93 million people, the population is growing by 1.8 percent, per year, and is expected to reach 96 million by 2000.

There are essentially five socioeconomic classes in Mexico:

Class	Population (millions)	% of Total	U.S.\$ Income/Month
A (upper)	2.8	3	\$5,000 +
B (upper middle)	11.2	12	\$1,500-\$5,000
C (lower middle)	20.5	22	\$500-\$1,500
D/E (lower)	58.6	63	\$120-\$500*

\*The average income for Group D/E is under \$200 per month. Source: INEGI

Geographically, Mexico's population is heavily centralized in three urban areas: Mexico City, Guadalajara, and Monterrey. Roughly 70 percent of the population lives in urban areas. However, other areas are growing quickly, principally in Northern and Central Mexico in cities such as Aguascalientes, Guanajuato, Leon, and Queretero. Other high-growth regions are those dominated by the tourism industry such as Los Cabos and Cancun.

The geographical allocation of Mexico's population is detailed in the chart below.

City	Population	% of Total
Mexico City (& Metro Area)	21.4	23.0
Border Cities	3.7	4.0
Guadalajara	3.5	4.0
Monterrey	3.2	3.0
Puebla	2.0	2.0

Other Urban	31.9	34.0
Total Urban	65.8	70.0
Total Rural Areas	27.3	30.0
<b>TOTAL</b>	<b>93.0</b>	<b>100.0</b>

## Economic Outlook

Mexico's economy has made a strong recovery from the 1994 peso devaluation and subsequent economic crisis. Recent events have clouded the near-term economic picture, however. A sharp decline in oil prices – a major source of government revenues – has forced the federal government to cut spending. This loss of income, combined with what may be a global economic downturn, has lead economists to lower their expectations for the Mexican economy for the next two years.

Despite these temporary setbacks, Mexico remains an excellent market for US exporters and investors. Mexico's geographical proximity means transportation costs are relatively low and fast, and the benefits of the North American Free Trade Agreement (NAFTA) have eliminated the majority of cumbersome trade barriers.

## Mexican Market for Peanuts and Peanut Products

Despite the economic volatility that has characterized the Mexican market recently, imports, exports and domestic consumption of peanuts have steadily increased over the last three years. The following table summarizes these trends:

**MEXICAN MARKET FOR PEANUT AND PEANUT PRODUCTS (MT)**

	1995 MT	'95 mkt	1996 MT	'96 mkt	1997	'97 mkt
<b>Production</b>	91,453		112,316		137,999	
<b>Imports</b>	36,709		59,600		53,248	
<b>From U.S.</b>	22,444	61.14%	25,491	42.77%	36,801	69.11%
<b>From Argentina</b>	2,878	7.84%	19,870	33.34%	5,006	9.40%
<b>From Nicaragua</b>	11,232	30.60%	9,913	16.63%	11,355	21.32%
<b>Other</b>	155	0.42%	4,326	7.26%	86	0.16%
<b>Exports</b>	4,918		8,201		8,433	
<b>Consumption</b>	123,244		163,715		182,814	
<b>Imports as % of</b>	29.8		36.4		29.1	

Source: World Trade Atlas, Secretary of Agriculture, CCG analysis; MT=Metric Tons

## Consumption

Mexican consumption of peanut products increased by approximately 10 percent, per year, between 1995 and 1997. Peanuts are found in similar forms as in the United States—they are eaten as a party snack, served on airlines, and used in peanut brittle and other candies.

Consumer taste varies somewhat from that in the United States. Spicy peanuts are heavily favored, although "salt with lime" and plain salted peanuts are common, as well. "Japanese Peanuts" (*cacahuete japones*), which are breaded and cooked, are also very popular. In large retail stores, the most common packaging is in 100g, 125g or 200g sizes. Street vendors and "mom &

pop" stores sell most of their volume in smaller 60g packages.

Peanuts are used as ingredients in a wide variety of other foods. They are found as a topping on snack foods such as *Chocolatines* by Gamesa and in candy bars such as *Charge*, produced by Nestle in Mexico. Peanut "paste" is used as an ingredient in Mexican foods and sauces such as *mole*.

Most distributors in the *Central de Abasto* commented that US peanuts are superior to those from other countries. Most (but not all) believe that US peanuts taste better, and virtually everyone agrees that the US supply is more consistent in quality and uniform size. They also like the fact that delivery is more reliable than shipments from Argentina.

Peanut butter is still not a popular product in Mexico; per capita consumption was only about 100 grams in the early 1990s. Consumers are mainly from upper income groups and distribution is limited to retail stores catering to that market. Consequently, it is not easy to find peanut butter on the shelves of most supermarkets. Even Price Costco, a US chain carrying a wide variety of imported products, does not sell peanut butter. More important, it is difficult to find the product in the thousands of small mom & pop stores through which a high percentage of food products are sold in Mexico. Those brands that are available are only found in small, 340g containers.

## Imports

Following are statistics on Mexican imports of peanuts and peanut products:

<b>Mexican Peanut Imports (with and without shell)</b>								
	United States		Other		Total		U.S. Market	U.S.
	USD	MT	USD	MT	USD	MT		
1997	32,100,271	35,669	12,987,180	16,437	45,087,451	52,106	71.20%	68.45%
1996	27,156,368	24,378	24,209,520	34,032	51,365,888	58,410	52.87%	41.74%
1995	18,343,271	21,243	9,172,410	14,237	27,515,681	35,480	66.66%	59.87%
<b>Mexican Peanut Butter Imports</b>								
	United States		Other		Total		U.S. Market	U.S.
	USD	MT	USD	MT	USD	MT		
1997	2,275,908	1,084	22,355	9	2,298,263	1,093	99.03%	99.18%
1996	2,052,502	1,077	91,895	76	2,144,397	1,153	95.71%	93.41%
1995	2,343,004	1,189	39,364	25	2,382,368	1,214	98.35%	97.94%
<b>Mexican Peanut Oil Imports</b>								
	United States		Other		Total		U.S. Market	U.S.
	USD	MT	USD	MT	USD	MT		
1997	52,533	48	2,971	1	55,504	49	94.65%	97.96%
1996	53,436	36	5,327	1	58,813	37	90.86%	97.30%
1995	26,598	12	6,569	3	33,167	15	80.19%	80.00%

Source: World Trade Atlas. MT=Metric ton

The United States is the largest supplier of peanut products to Mexico, accounting for 69 percent of the import market in 1997. Argentina and Nicaragua provide most of the remaining imports and have alternated as the number two supplier. Despite the fact that the total volume of peanut imports fell by 10.6 percent in 1997, US imports increased 11.9 percent in 1996 and 30.7 percent

in 1997.

Virtually all of the peanut butter that Mexico imports comes from the United States. The same is true for peanut oil; the United States supplied approximately 95 percent of Mexican imports in 1997. Unfortunately, these two items together comprise only five percent of Mexican imports of peanut products. Plain peanuts, both shelled and unshelled, represent 95 percent of total imports of peanut products. Here, the United States is still the largest supplier, but shares the market with other Latin American producers, principally Argentina and Nicaragua.

### **Production**

Mexico is a strong producer of peanuts, supplying about 70 percent of domestic consumption. Production has grown steadily in the last three years, up 51 percent between 1995 and 1997. Mexico also exported approximately six percent of production in 1997.

The major processors of peanuts in Mexico are located in industrial areas of Mexico City, Guadalajara and Monterrey. The largest of these are Michel Velasco, Martin Cubero, Nishikawa, Galdisa (Nacional de Cacahuates) Industrias Mafer, and Barcel Mexico. Most of these are family-owned operations, but some package product for nationally-known snack food manufactures. For example, Martin Cubero packages peanuts for the Mexican snack food giant, Sabritas. These companies process a combination of domestic and imported raw peanuts.

Peanut butter is no longer commercially produced in Mexico. The “Aladino” brand, which used to be manufactured in Mexico by Mafer, is now made under private label by Tara Foods in Georgia. Thus, virtually all peanut butter consumed in Mexico is imported.

### **Distribution**

Distribution is the most important element of any food product’s success in Mexico, and the most problematic. This section will discuss distribution of raw peanuts and consumer-ready processed peanuts.

#### **Raw Peanut Distribution**

There are several large broker-distributors buying and selling domestic and imported peanuts in raw form for sale to other distributors and major processors. The major broker-distributors in Mexico are: Galdisa (Nacional de Cacahuates); Casa Abascal, Comercial Garcia; Provisiones Sámano; and La Molinera de Abastos.

Raw peanuts that are not sold directly to processors usually pass through wholesale distributors at the *Central de Abasto* (central market) found in many large cities in Mexico. There are an estimated 18 peanut wholesalers in the *Central* in Mexico City, for example, who purchase peanuts on the international market and then re-sell them to other distributors, processors, and retailers within Mexico. A list of peanut brokers, importers, and distributors from the Central are listed in the appendix.

Some raw peanuts are sold directly from these wholesalers in the *Central de Abasto* or jobbers

in secondary markets to entrepreneurs who sell them in the shell at open-air markets. Still others are vendors who literally push a wheelbarrow of raw peanuts for sale on the street.

Processor-distributors buy peanuts directly from Mexican producers, broker/distributors, or import directly. Raw peanuts are unshelled, salted, flavored, or otherwise processed before packaging. The major processor distributors are: Michel Velasco, Martin Cubero, Nishikawa, Galdisa (Nacional de Cacahuete) Industrias Mafer, and Barcel.

### Processed Peanut Distribution

Peanuts that are packaged or otherwise processed are sold through two channels. Large processor-distributors such as Barcel will sell directly to major retailers, wholesaler-distributors, or will distribute their product to mom & pop and government stores. Wholesaler-distributors will also supply major retailers with branded product, but will also distribute to jobbers and street vendors through their wholesale outlets in the *Central de Abasto*.

While major retailers are growing in strength and numbers, the bulk of Mexico's snack foods are still sold to the consumer at small mom & pop stores or street kiosks. Thus, the only products that can truly realize high volume sales are those that can be delivered to thousands of low-volume sales points. To do so, an imported product needs be distributed by a major wholesale distributor or processor-distributor.

### Import Requirements

Peanut exports from the United States to Mexico face no significant barriers to entry. Following is a description of import duties and labeling requirements.

### Import Duties

In general, import duties and regulations do not pose a barrier to US peanut suppliers. Tariffs are listed below with both the NAFTA and non-NAFTA classification. All companies wishing to export under NAFTA must comply with the regulations pertaining to the rules of origin.

#### IMPORT DUTIES ON PEANUTS AND PEANUT PRODUCTS

HS Code (MX)	Item	Import Duties World/U.S.	NAFTA Code
2008.11.01	Peanut butter	20% / 10%	C
2008.11.99	Other ground peanut products	20% / 10%	C
1202.10.01	Peanuts, with shell	Exempt	Exempt
1202.10.99	Other peanuts with shell	Exempt	Exempt
1202.20.01	Peanuts without shell	Exempt	Exempt
1508.10.01	Peanut oil	10% / 5%	C

1508.90.99

	Other peanut oil	20% / 10%	C

C = Duties shall be removed in 10 equal stages of 10% of the NAFTA base rate. This reduction began on January 1, 1994, with full duty elimination to be completed on January 1, 2003.

In addition to the above duties, a 15 percent Value Added Tax (VAT) is assessed on the C.I.F. invoice, plus the Ad Valorem Duty. The VAT is recoverable in the sales transaction. (Note: Food products are exempt from IVA unless they are destined for further processing once they arrive in Mexico.)

### **Labeling Requirements**

Products packaged for retail consumption in Mexico must be labeled according to regulations issued by the Mexican Secretary of Commerce, SECOFI. Each package must contain the following information:

- C Commercial name
- C Country of origin
- C Product description in English
- C Expiration date
- C Exporter's name and address
- C Product description in Spanish
- C Net Weight in metric units
- C Importer's name address, and tax ID number

All of this information must be in Spanish, with the exception of the product description in English. Bilingual printed packaging are recommended, although Spanish language stickers are permitted. Mexico is still in the process of revising and updating many of its labeling regulations and official standards. Still, US exporters should not let these changes cause too much distress — the Mexican importer, distributor, or retailer will normally advise their supplier of new requirements.

### **Key Contacts**

As of February 1999, a number five was added to telephone numbers in the Mexico City area. However, for long distance calls from the United States (dial 011+525+seven digit number), this additional five is not dialed. All telephone and fax numbers listed in the following section that do not have area codes are assumed to be in Mexico City. The country code for Mexico is 52 and the area code for Mexico City is 5.

Company	Contact	Address	Telephone/Fax
U.S. GOVERNMENT			



U.S. Agricultural Trade Office	Chad Russell	Jaime Balmes 8 Col. Polanco 11510 Mexico D.F.	T. 280-5291 F. 281-6093
U.S. Animal & Plant Health Inspection Service (APHIS)	Export Certification Unit	Room 633, Federal Bldg. 6506 Belcrest Road Hyattsville, MD 20782	T: (301) 436-8537 F: (301) 436-5786

**U.S. ASSOCIATIONS**

American Peanut Council	Cristina Compeán	Cerrada de la otra banda No. 58-4 Col. Tizapán S. Angel 01090 México, D.F.	T: 616-6580 / 3869 F: 616-4362
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**MEXICAN GOVERNMENT**

Secretaría de Comercio y Fomento Industrial (SECOFI)	Foreign Trade Services Lorena Méndez Coordinator	Alfonso Reyes # 30 Piso 18 Col. Condesa 06140 México, D.F.	T: 729-9100 xt.6760 F: 729-9311
Secretaría de Agricultura, Ganadería y Desarrollo Rural (formerly SARH)	Phyto-Sanitary Integration & Regulation Gustavo Frías Treviño Director	Guillermo Peres Valenzuela No. 127 Col. Carmen Coyoacán 04100 México, D.F.	T: 554-5147 F: 658-0696
Secretaría de Agricultura, Ganadería y Desarrollo Rural (formerly SARH)	Agricultural Policies José Luis Plaza Sánchez Director	Lope de Vega # 125 Piso 10 PH Col. Chapultepec Morales 11578 México, D.F.	T: 254-2286 F: 250-7882

**PROCESSOR-DISTRIBUTORS**

Abastecedora de Mercados del Norte, S.A. de C.V. (Aladino)	Lic. Gerardo Rocha Owner	Bernardo Reyes 6663 Col. Topochico Monterrey 64260 Mty, N.L.	T: ( 8)376-6763 F: ( 8) 376-6763
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Barcel México, S.A. de C.V.	Ismael Zavala Cruz Corporate Purchasing Manager	Paseo Tollocan Km. 54 Carr. Méx.-Toluca 52000 Lerma, Edo. de México	T: (72) 79-1100 F: (72) 79-1137
Beneficiadora Mani, S.A.	Luis Arturo Orozco General Manager	Enriqueta 3236 A Col. Bondonjito 07850 México, D.F.	T: 760-0130 F: 760-0130
Botanas "Leo"	C.P. Antonio Ortega Jefe de compras	Huizache no. 3614 Fracc. Jardines de San Rafael 67110 Guadalupe, N.L.	T: (8) 364-6068 F: (8) 364-6036
Procesadora Agropecuaria de Delicias (Cacahuates México, S.A. de C.V.)	César Estrada M. General Manager	Calle 11 Sur # 1633 Granja 68 33000 Cd. Delicias, Chihuahua	T: (147) 25-940 F: (147) 25-940
Compañía Nestlé	Srita. Adriana (secretaria del area de compras)	Av. Ejército Nal. 453 Col. Granada 11620 México, D.F.	T: 262-5000
El Cerezo, S.A. de C.V.	Enrique Duran Cerezo Purchasing	Antiguo Camino de Minas s/n Col. Lomas de Becerra 01280 México D.F.	T: 563-2120 F: 598-1767
Industrial Empacadora, S.A.	Humberto Rodríguez Presidente	Calle 18 No. 194 Col. García Gineres 97070 Mérida, Yucatán	T: (99) 25-3991 / 0275 / 3999 / 3880 F: ( 99) 25-1446
Industrias Mafer, S.A. de C.V.	Sr. José Luis Fernández Purchasing	Av. Ferrocarril No. 150 Col. Moctezuma 2a. Sección 15500 México D.F.	T: 784-8104 F: 762-3898

Galdisa, S.A. de C.V. (Nacional de Cacahuates)	Sr. José Antonio Galindo General Director	Central de Abasto Zna 1 S4 N2 Bod. B80	T: 694-1057 / 2195
Martín Cubero, S.A. de C.V.	Alberto Martin Cubero	Calle 3 No. 123 Col. Pantitlán 08100 México D.F.	T: 558-0380 F: 558-1869
Michel Velasco	Enrique Michel	Sinaloa 1575 44260 Guadalajara, Jal	Tel. 3-853-6063/1909/0382
Nishikawa, S.A.	Lic. Guadalupe Kogan Purchasing	Plutarco Elías Calles 17 Col. Granjas México 08400 México D.F.	T: 657-1845 F: 657-1408

Nabisco, S.A. de C.V.	Dirección Vacante	H. Congreso de la Unión # 5840 Col. Tres Estrellas 07820 México D.F.	T: 729-2700 / 2800 Purchasing: 729-2755 F Purchasing: 398-2895
Productos el Supremo S.A.	Kazuko Hayasaka Sasaki General Manager	Albert No. 51 Col. Portales 03560 México, D.F.	T: 532-5115 / 4399 F: 532-1022
Productos Nipón, S.A. de C.V.	Hector Barrios Purchasing	Oriente 233 No. 390 Col. Agrícola Oriental 08500 México, D.F.	T: 763-7141 / 7900 F: 558-9300
Seleccionadora de Cacahuates de México	Salvador Calderón Magaña General Manager	17.5 Carretera Guadajajara-Morelia Fracc. Los Gavilanes 45645 Tlajomulco de Zúñiga, Jalisco	T: (3) 686-0891 686-0092 F: ( 3) 686-0042
<b>IMPORTER-WHOLESALE- DISTRIBUTORS</b> (Central De Abasto)			
Agroindustria Xomor, S.A. de C.V.	Salvador Segura	Central de Abasto de Iztapalapa Pasillo 2 Local 32-B	T. 694-3984 F. 694-0021

Cacahuates Ocampo	Abraham Ocampo Castillo	Central de Abasto de Iztapalapa Pasillo 2 Local 25A	T. 600-0069 F. 784-8415
Comercial García S.A. de C.V.	Antonio García Fernández	Central de Abasto de Iztapalapa F – 034 - B	T: 694-0722
Viveres Abascal	Javier Abascal	Central de Abasto de Iztapalapa E - 029	T: 694-0715
Surtidora Abarrotera	José Sámano	Central de Abasto de Iztapalapa F - 033	T: 694-0752
Almacenes y Servicios	J.José Gómez Gómez	Central de Abasto de Iztapalapa F - 014	T: 694-3921
Comercial Sámano	Celestino Güemes Sámano	Central de Abasto de Iztapalapa H – 14 – A	T: 686-8641
Nacional de Cacahuates	Antonio Galindo Verdura	Central de Abasto de Iztapalapa B-080	T: 694-1057
Provisiones Sámano	Alfredo Sámano	Central de Abasto de Iztapalapa F - 038	T: 694-2332
La Molinera de Abasto	Germán González Bilbatúa	Central de Abasto de Iztapalapa Pasillo 2 Bodega 132 09040 México D.F.	T: 694-1202 F: 694-1202
Empaques Rioja	Gabriel Sánchez E		T: 557-6000 / 09 F: 557-6022

<b>IMPORTER-DISTRIBUTOR</b> (Peanut Butter)
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Anderson Clayton	Ing. Enrico Prestinoni Sales Manager Raw Materials	Av. Tecalpala No. 2 Col. Rancho Santo Domingo 54900 Tultitlán, Edo. de México	T: 899-0300 / 0400 / 0500 / 0600 F: 899-0453
<b>RETAILERS</b>			
Aurrera (Cifra Walmart)	Sr. Mariano Acebal Purchasing	Camino Antiguo a San Mateo No. 2 Col. Anexo Coamilco 53240 Naucalpan, Edo. de México	T: 363-1322 / 327-9311 ext. 1843 F: 327-9326
Casa Ley	Alvaro Ley Director	Carretera Internacional y Calle Deportiva Km.1434 80020 Culiacán, Sin.	T: ( 67) 50-5159 F: (67) 50-5044
Chedraui	Sr. Primo Alvares Purchasing Director (en la Cd. México: 686-9022 / 685-5322)	Privada Antonio Chedraui s/n Col. Encinas 91180 Xalapa, Ver.	T: (28) 14-4700 F: (28) 14-4896
Comercial Mexicana	Sr. Jorge Monreal Purchasing (Nuts)	Av. Adolfo López Mateos No. 201 Col. Sta. Cruz Acatlán 53140 Naucalpan, Edo. de México	T: 723-7111 / 723-7455 F: 723-7455
Gigante	Srita. Silvia Silva Purchasing Raw Materials	Ejército Nacional 769 A Col. Nva. Granada 11520 México, D.F.	T: 269-8000 F: 269-8365 / 81
Metropolitana de Despensas (Seven-Eleven)	Lic. Fco. Mendoza Purchasing Manager	Alvaro Obregón # 255 Col. Roma 06700 México, D.F.	T: 525-3415 / 514-1852 / 511-4143 F: 511-3633
Oxxo	Sergio Estrada Purchasing Director	Ciprés No. 280 Col. Sta. Ma. la Rivera 06400 México D.F.	T: 547-4787 / 541-1616 F: 541-1522

Soriana	Sr. Mario García	Diego Díaz de Berlanga y Félix U. Gómez Av. Los Angeles #1732 Col. Juana de Arco 64510 Monterrey. N.L.	T: ( 8) 329-9353 F: ( 8) 329-9301
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